

CITY OF SANTA BARBARA
Activity and Interest Report
August 31, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

08/07	LAIF Deposit/City	\$	1,000,000
08/12	LAIF Deposit/City		1,000,000
08/15	LAIF Deposit/City		1,000,000
08/18	LAIF Deposit/City		1,000,000
08/19	LAIF Deposit/City		1,500,000
08/25	LAIF Deposit/City		1,500,000
	Total	\$	7,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

08/01	LAIF Withdrawal/City	\$	(1,500,000)
08/14	LAIF Withdrawal/City		(3,000,000)
08/15	Wells Fargo & Co. (WFC) Maturity		(2,000,000)
08/18	Federal Home Loan Bank (FHLB) Call		(2,000,000)
08/27	LAIF Withdrawal/City		(2,000,000)
08/28	LAIF Withdrawal/City		(1,400,000)
08/28	LAIF Withdrawal/RDA		(1,500,000)
08/29	LAIF Withdrawal/City		(250,000)
	Total	\$	(13,650,000)

ACTIVITY TOTAL	\$	(6,650,000)
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INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$	544,270
Amortization		27,517
SBB&T Sweep Account Interest		2,343
SBB&T Trust Account M/M Interest		334
Total	\$	574,464

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$	37,779
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TOTAL INTEREST EARNED	\$	612,243
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CITY OF SANTA BARBARA
Summary of Cash and Investments
August 31, 2008

ENDING BALANCE AS OF JULY 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 29,300,000	2.787%	17.89%	1
Certificates of Deposit	2,000,000	5.000%	1.22%	109
Treasury Securities - Coupon	3,983,142	4.751%	2.43%	243
Federal Agency Issues - Coupon	101,482,632	4.766%	61.97%	868
Corporate/Medium Term Notes	19,206,386	4.929%	11.73%	499
SB Airport Promissory Note	7,800,000	6.500%	4.76%	153
Totals and Averages	\$ 163,772,160	4.516%	100.00%	611
SBB&T Money Market Account	2,623,484			
Total Cash and Investments	\$ 166,395,644			

NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2008 **\$ (6,967,215)**

ENDING BALANCE AS OF AUGUST 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 26,650,000	2.779%	16.96%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.27%	78
Treasury Securities - Coupon	3,985,694	4.751%	2.54%	212
Federal Agency Issues - Coupon	99,502,913	4.752%	63.32%	839
Corporate/Medium Term Notes	17,211,070	4.921%	10.95%	524
SB Airport Promissory Note	7,800,000	6.500%	4.96%	122
Totals and Averages	\$ 157,149,678	4.526%	100.00%	601
SBB&T Money Market Account	2,278,751			
Total Cash and Investments	\$ 159,428,428			

Note:

(1) The average life of the LAIF portfolio as of August 31, 2008 is 224 days.

CITY OF SANTA BARBARA
Investment Portfolio
August 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.779	2.779	11,950,000.00	11,950,000.00	11,950,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.779	2.779	14,700,000.00	14,700,000.00	14,700,000.00	0.00	
Subtotal, LAIF							26,650,000.00	26,650,000.00	26,650,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,998,388.33	2,039,060.00	40,671.67	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,987,305.74	2,009,690.00	22,384.26	
Subtotal, Treasury Securities							4,000,000.00	3,985,694.07	4,048,750.00	63,055.93	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,990,010.16	2,015,310.00	25,299.84	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,557.89	2,039,690.00	40,132.11	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,031,750.40	2,111,870.00	80,119.60	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,849.43	2,022,810.00	22,960.57	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,991,921.50	2,005,620.00	13,698.50	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,987,019.19	2,062,510.00	75,490.81	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,998,963.76	2,017,500.00	18,536.24	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	1,970,940.00	(29,060.00)	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	983,628.22	1,011,875.00	28,246.78	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,971,091.98	2,008,750.00	37,658.02	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,012,127.78	2,095,320.00	83,192.22	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,942,158.02	2,032,510.00	90,351.98	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	996,149.29	1,029,220.00	33,070.71	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	1,967,190.00	(32,810.00)	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,966.49	1,037,030.00	36,063.51	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,008,440.00	8,440.00	Callable 11/10/08, once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,003,632.90	2,035,310.00	31,677.10	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	1,994,380.00	(5,620.00)	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	1,971,560.00	(28,440.00)	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,993,583.33	1,972,190.00	(21,393.33)	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,979,291.47	1,975,010.00	(4,281.47)	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,017,500.00	17,500.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,000,310.00	310.00	Callable 9/08/08, once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,000,286.56	1,001,560.00	1,273.44	

CITY OF SANTA BARBARA
Investment Portfolio
August 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	998,648.15	1,005,470.00	6,821.85	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,741.80	1,021,095.00	19,353.20	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,981.79	2,397,035.55	52,053.76	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,568.73	2,069,690.00	70,121.27	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,001,558.13	2,012,500.00	10,941.87	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,989,297.64	2,049,380.00	60,082.36	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,997.13	2,001,260.00	1,262.87	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,442,726.85	1,463,593.75	20,866.90	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,985,665.04	2,054,690.00	69,024.96	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,000,940.00	940.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,976,254.50	1,998,750.00	22,495.50	
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	1,975,700.00	(24,300.00)	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,979,680.00	(20,320.00)	Callable 10/16/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	991,318.84	1,008,520.00	17,201.16	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,000,887.61	2,006,880.00	5,992.39	Callable 11/14/08, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,980,675.11	2,044,320.00	63,644.89	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,035,980.00	35,980.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	1,965,060.00	(34,940.00)	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,000,450.00	450.00	Callable 9/04/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,000,360.00	360.00	Callable 9/08/08, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,980,833.01	2,033,220.00	52,386.99	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,025,620.00	25,620.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,957,663.06	2,024,300.00	66,636.94	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,003,680.00	3,680.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,984,816.71	2,048,440.00	63,623.29	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,988,621.05	2,007,500.00	18,878.95	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,996,332.70	2,016,570.00	20,237.30	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,999,337.24	2,006,880.00	7,542.76	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	1,992,500.00	(7,500.00)	Callable 3/05/10, once
Subtotal, Federal Agencies							99,795,000.00	99,502,913.46	100,654,469.30	1,151,555.84	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,264,603.87	2,277,090.00	12,486.13	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,045,163.24	2,096,940.00	51,776.76	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,987,189.66	2,023,340.00	36,150.34	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	992,805.73	1,002,990.00	10,184.27	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,973,235.37	1,994,560.00	21,324.63	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,002,561.27	2,006,480.00	3,918.73	

CITY OF SANTA BARBARA
Investment Portfolio
August 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,975,119.71	2,037,420.00	62,300.29	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,983,542.10	2,032,840.00	49,297.90	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,986,849.23	2,024,900.00	38,050.77	
Subtotal, Corporate Securities							17,250,000.00	17,211,070.18	17,496,560.00	285,489.82	
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SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	01/01/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
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TOTALS							157,495,000.00	157,149,677.71	158,649,779.30	1,500,101.59	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.